

FISCAL NOTE

SB 2684

February 15, 2006

SUMMARY OF BILL: Requires the Tennessee Education Lottery Corporation (TELC) to establish a lottery ticket litter reduction program and report on the development and implementation of such program to the Speakers of the Senate and House of Representatives and the members of the Select Committee on the TELC by October 1, 2006.

ESTIMATED FISCAL IMPACT:

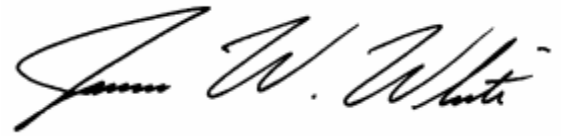
Other Fiscal Impact – To the extent a litter reduction program is implemented, expenditures of the TELC would increase by some amount estimated as up to \$75,000 per year. These expenditures would be funded from the net lottery proceeds of the TELC. Net lottery proceeds are earmarked for the Lottery for Education Account. Implementation of this program would reduce the amount that would otherwise be transferred to the Lottery for Education Account, ultimately reducing the number of lottery funded scholarships that could be provided.

Assumptions:

- The proposed bill encourages the use of second chance drawings, non-winning ticket collection incentives and other promotional recycling activities.
- The cost of such drawings and/or incentives would be funded directly from net lottery proceeds.
- Use of this funding source would reduce the amount of net lottery proceeds available for transfer to the Lottery for Education Account.
- The TELC estimates the cost of operating this program, based on the implementation of a similar program in South Carolina, at \$60,000 per year (not including administrative cost of staff or promotional materials).
- Administrative cost of staff and promotional materials could cost an additional \$15,000 per year.
- Expenditures for the TELC would increase by some amount estimated as up to \$75,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director